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UNCLAS SECTION 01 OF 02 AMMAN 006182

SIPDIS

SENSITIVE

DOJ FOR OFFICE OF INTERNATIONAL AFFAIRS - SNOW
L/LEI FOR SULLIVAN

E.O. 12958: N/A
TAGS: [EFin](#) [CJan](#) [JO](#)
SUBJECT: JORDAN: ASSISTANCE IN TELEMARKETING FRAUD
INVESTIGATION

This is an action request.

¶1. (sbu) Summary. The government and Central Bank of Jordan and the Union Bank for Savings and Investment told the Embassy they will cooperate fully with a Department of Justice investigation of a telemarketing fraud that used Union Bank as an apparently unwitting channel for transferring funds out of the United States. Union Bank says that information provided so far by DOJ and the U.S. Attorney in New Hampshire indicates that after passing through many hands, cashiers and other bank checks had been presented to the Union Bank branch in Ramallah for payment or deposit by local Palestinian and/or Israeli money changing businesses. The Bank never had contact with the beneficiaries of the checks and victims' funds are not now, and most likely never were, in the possession of the Union Bank. Given its preparedness to cooperate fully (it has already begun contacting the U.S. attorneys involved), the bank would appreciate help in releasing funds seized by court order from its U.S. correspondent bank account. End Summary.

Central Bank Cooperation

¶2. (sbu) Economic counselor and Legatt met October 21 with Central Bank of Jordan (CBJ) Deputy Governor Dr. Ahmed Mustafa to transmit a request from the U.S. Department of Justice for assistance in the criminal investigation of a telemarketing fraud. Specifically, the request asked the Jordanian authorities to immobilize, seize and repatriate proceeds in the amount of approximately \$2.3 million that had been fraudulently obtained from U.S. victims and deposited in the Union Bank for Savings and Investment, which is headquartered in Amman. The request also informed the Jordanian authorities that a similar amount had been seized by court order from Union Bank's correspondent account at the Bank of New York in New York under the authority of Section 319(a) of the USA Patriot Act.

¶3. (sbu) Mustafa accepted the request and pledged that the CBJ would cooperate to the fullest extent with the U.S. government to ensure that any assets identified in Jordan that had been wrongfully taken from victims in the United States were returned to their owners. He said that the CBJ would work with the Union Bank to identify such assets. Mustafa, noted, however, that this could be difficult given the limited amount of information contained in the DOJ request. Since only photocopies of cancelled checks and not names of suspected account holders were available, he thought it could be difficult to quickly determine whether such assets were still on deposit at the Union Bank.

¶4. (sbu) Mustafa said that the Jordanian financial authorities were prepared to work with the U.S. government in all such cases. The CBJ has the ability to freeze suspected accounts in a matter of hours following receipt of a request. Mustafa also expressed great concern about the possibility that the U.S. court order could unintentionally cause serious damage to the reputation of the Union Bank, which appeared to be innocent of any wrongdoing. Nevertheless, he reiterated the Bank's commitment to work with the U.S. government to see that justice was done. An official in the office of Foreign Minister Marwan Muasher to whom we separately presented the same request provided similar support.

¶5. (sbu) Following up on our request, Mustafa and Central Bank Governor Umayya Toukan met with Union Bank officials at approximately 4 p.m. Jordan time (after the execution of the court order in the U.S.) to ensure their cooperation in seizing subject assets in Jordan. During this meeting, Toukan phoned economic counselor to request that the embassy meet with Union Bank management the following morning (October 22). Union Bank officials told Toukan that they had already learned of the court action in the United States.

Union Bank Also Ready to Work with USG

16. (sbu) As requested by Toukan, economic counselor met Union Bank for Investment and Savings Chairman Isam Salfiti, Deputy General Manager Ammar Haddadin, and Legal Advisor Nabil Rabah on October 22 at the bank's headquarters. Salfiti and his senior staff echoed the Central Bank's commitment to work closely with U.S. authorities to identify and seize such assets so that they could be returned to victims. They were very worried, however, that it would not be possible to identify such assets and that the Union Bank and its stockholders would end up bearing the cost. They said Union Bank officials in Amman and at the Union Bank branch in Ramallah in the West Bank had been working since the previous evening to find or reconstruct documents related to the cancelled checks. In addition, the branch has stopped accepting U.S.-origin checks.

17. (sbu) Salfiti explained that the Union Bank branch in Ramallah serves as a high-level clearing house for the large network of money exchange businesses in the West Bank and Israel. In some cases, this service is also provided to Israeli banks. The checks in question appeared to have been presented for deposit or payment at the Union Bank Ramallah branch by wholesale money changing businesses that were most likely located in Jerusalem. These businesses appeared to have in turn accepted the checks from smaller scale moneychangers in Israel or the West Bank. Acting like check-cashing businesses in the United States, these retail moneychangers had accepted the checks from clients, most likely providing cash shekels, dollars, or Jordanian dinars in return for a commission. Given that the checks were cashier or bank checks, these clients may or may not have been personally known to the moneychangers. Neither they nor the Union Bank branch would have had any reason to refuse or mistrust such high-quality checks.

18. (sbu) The role of the Ramallah branch was to deposit the checks at in the Union Bank account at the Bank of New York. The Ramallah branch does this directly, without any funds passing through bank headquarters or branches in Jordan. Salfiti said that none of the beneficiaries of the checks thus would have held accounts at the Union Bank. In addition, since the checks in question appeared to be two years or so old, he strongly doubted that any assets currently on deposit at the Ramallah branch could be linked to the checks under investigation.

19. (sbu) Salfiti pledged that the Union Bank in Jordan and the Ramallah branch would completely cooperate with the U.S. investigation. Work was underway at the Ramallah branch to attempt to reconstruct the chain of moneychangers through which the checks had passed (the bank has digital images of all the checks, which it would be ready to share). In addition, Legal Advisor Rabah had contacted the U.S. Attorney's Office in New Hampshire and was attempting to reach the U.S. Attorney in Pennsylvania to offer the bank's assistance. Bank officials were prepared to meet U.S. investigators in the United States. They would also be ready to introduce U.S. investigators to the West Bank money changing establishments.

Comment and Action Request

110. (sbu) Union Bank understands that it has thirty days to file a claim in the U.S. court to ask for the return of its assets. Given the cost in effort and legal fees of such an effort and the bank's spirit of full cooperation, they asked economic counselor if the U.S. Attorney would be ready to take the initiative to return to the bank the funds seized in the United States. From the embassy's perspective of seeking full cooperation from the Jordanian government and banks in returning the victims' stolen money, we believe that the cooperative approach the bank has sketched out is likely the only effective way to achieve the desired result. Both the CBJ and the Union Bank were perplexed as to why the U.S. Government would feel it had to resort to what felt like coercive measures to obtain their cooperation. We would appreciate any information or guidance that we could share with the CBJ and/or Union Bank.
GNEHM